High Profits of Foreign Companies in Power Sector

2139. SHRI PARMESHWAR KUMAR AGARWALLA :
SHRI CHIMANBHAI MEHTA :
SHRI G. G. SWELL :

Will the Minister of POWER be pleased to state :

(a) whether it is a fact that foreign companies would get much higher profit through their investments in power sector compared to the profits earned by Indian companies or undertakings in private or public sector;

(b) what is the cost per unit of electricity that accrues to National Thermal Power Corporation (NTPC) and what is the sale price per unit of electricity generated by Indian companies or undertakings in private or public sector;

(c) what is the current investment per MW incurred by National Thermal Power Corporation and the projected cost per MW by private sector companies; and

(d) whether it is also a fact that investment cost per MW is projected much higher by foreign companies and consequently the burden to fall on Indian consumer is going to be much higher compared to consumer cost?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) The policy to encourage greater private investment in the power sector is uniformally applicable to all the projects promoted either by the foreign private companies or Indian private compaines or public sector companies. The profit to be earned by any company would depend on its performance.

(b) The tariff rate for supply of power from generating stations of NTPC varies from project to project depending on the age of the project and it ranges from Rs. 0:52 to Rs. 1.67/Kwh. No private generating company has established generating units so far. However, the expected cost of generation during the first year of operation (1996-97) of the projects proposed by the private generating compaines is in the range of Rs. 1.95 to Rs. 2.62/ Kwh. This compares favourably with the tariff of NTPC stations coming up in 1996-97.

(c) and (d) The latest cost per MW of the coal based power project of NTPC under construction since 1989 is of the order of Rs. 2.55 crores at 1993 price level. The projected completed cost per MW by private sector company at 1997 price level as cleared by CEA is Rs. 4.75 crores/MW. The latest cost per MW of gas based projects presently under construction by NTPC is Rs. 3.8 crores at current price level and that of private sector companies cleared by CEA ranges from Rs. 3.50 to 3.83 crores at 1996-97 price level.

By taking into account the escalation factors, nature of financing, financing costs etc. for the projects being put up in the public and private sector, the costs would be of comparable order.

Counter Guarantees in Power Sector

2140. SHRI ASHOK MITRA : Will the Minister of POWER be pleased to state :

(a) whether it is a fact that some Indian Companies are not seeking counter guarantees while signing Power Purchase Agreements (PPA) with SEB's; if so, the details therof;

(b) whether Government propose to follow such a pattern with the foreign companies in future ; and

(c) whether it is a fact that, in some cases, the promoters have even threatened to pull out of projects if counter guarantee are not issued; if so, the names of these companies?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) and (b) Almost all the Indian as well as foreign private companies which are active in setting up of power projects in private sector have expressed a need for Government of India counter guarantee saying that it is the requirement of lenders financing these projects. To instill confidence amongst the investors on the private power policy, it was decided to extend Government of India counter guarantee in respect of 8 initial power projects. Government of India counter guarantee is envisaged only as a transitional measure to boost private investment.

(c) No, Sir.

World Bank Loan for National Thermal Power Corporation

2141. SHRI SARADA MOHANTY : Will the Minister of POWER be pleased to state :

(a) whether National Thermal Power Corporation located at Talcher in Orissa is getting loan assistance from the World Bank;

(b) if so, since when and the purpose for which World Bank loan is being availed by the National Thermal Power Corporation unit in Talcher; and

(c) the total amount of World Bank loan received and actually utilised so far ?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI P. V. RANGAYYA NAIDU) : (a) Yes, Sir.

(b) The World Bank extended a loan in December, 1987 through the Government of India to partly finance the Talcher Super Thermal Power Project (2 × 500